

1 AN ACT relating to motor vehicles.

2 Be it enacted by the People of the State of Illinois,
3 represented in the General Assembly:

4 Section 5. The Illinois Vehicle Code is amended by
5 changing Section 3-117.1 as follows:

6 (625 ILCS 5/3-117.1) (from Ch. 95 1/2, par. 3-117.1)

7 Sec. 3-117.1. When junking certificates or salvage
8 certificates must be obtained.

9 (a) Except as provided in Chapter 4 of this Code, a
10 person who possesses a junk vehicle shall within 15 days
11 cause the certificate of title, salvage certificate,
12 certificate of purchase, or a similarly acceptable out of
13 state document of ownership to be surrendered to the
14 Secretary of State along with an application for a junking
15 certificate, except as provided in Section 3-117.2, whereupon
16 the Secretary of State shall issue to such a person a junking
17 certificate, which shall authorize the holder thereof to
18 possess, transport, or, by an endorsement, transfer ownership
19 in such junked vehicle, and a certificate of title shall not
20 again be issued for such vehicle.

21 A licensee who possesses a junk vehicle and a Certificate
22 of Title, Salvage Certificate, Certificate of Purchase, or a
23 similarly acceptable out-of-state document of ownership for
24 such junk vehicle, may transport the junk vehicle to another
25 licensee prior to applying for or obtaining a junking
26 certificate, by executing a uniform invoice. The licensee
27 transferor shall furnish a copy of the uniform invoice to the
28 licensee transferee at the time of transfer. In any case,
29 the licensee transferor shall apply for a junking certificate
30 in conformance with Section 3-117.1 of this Chapter. The
31 following information shall be contained on a uniform

1 invoice:

2 (1) The business name, address and dealer license
3 number of the person disposing of the vehicle, junk
4 vehicle or vehicle cowl;

5 (2) The name and address of the person acquiring
6 the vehicle, junk vehicle or vehicle cowl, and if that
7 person is a dealer, the Illinois or out-of-state dealer
8 license number of that dealer;

9 (3) The date of the disposition of the vehicle,
10 junk vehicle or vehicle cowl;

11 (4) The year, make, model, color and description of
12 each vehicle, junk vehicle or vehicle cowl disposed of by
13 such person;

14 (5) The manufacturer's vehicle identification
15 number, Secretary of State identification number or
16 Illinois Department of State Police number, for each
17 vehicle, junk vehicle or vehicle cowl part disposed of by
18 such person;

19 (6) The printed name and legible signature of the
20 person or agent disposing of the vehicle, junk vehicle or
21 vehicle cowl; and

22 (7) The printed name and legible signature of the
23 person accepting delivery of the vehicle, junk vehicle or
24 vehicle cowl.

25 The Secretary of State may certify a junking manifest in
26 a form prescribed by the Secretary of State that reflects
27 those vehicles for which junking certificates have been
28 applied or issued. A junking manifest may be issued to any
29 person and it shall constitute evidence of ownership for the
30 vehicle listed upon it. A junking manifest may be
31 transferred only to a person licensed under Section 5-301 of
32 this Code as a scrap processor. A junking manifest will
33 allow the transportation of those vehicles to a scrap
34 processor prior to receiving the junk certificate from the

1 Secretary of State.

2 (b) An application for a salvage certificate shall be
3 submitted to the Secretary of State in any of the following
4 situations:

5 (1) When an insurance company makes a payment of
6 damages on a total loss claim for a vehicle, the
7 insurance company shall be deemed to be the owner of such
8 vehicle and the vehicle shall be considered to be salvage
9 except that ownership of (i) a vehicle that has incurred
10 only hail damage that does not affect the operational
11 safety of the vehicle or (ii) any vehicle 9 model years
12 of age or older may, by agreement between the registered
13 owner and the insurance company, be retained by the
14 registered owner of such vehicle. The insurance company
15 shall promptly deliver or mail within 20 days the
16 certificate of title along with proper application and
17 fee to the Secretary of State, and a salvage certificate
18 shall be issued in the name of the insurance company. An
19 insurer making payment of damages on a total loss claim
20 for the theft of a vehicle may exchange the salvage
21 certificate for a certificate of title if the vehicle is
22 recovered without damage. In such a situation, the
23 insurer shall fill out and sign a form prescribed by the
24 Secretary of State which contains an affirmation under
25 penalty of perjury that the vehicle was recovered without
26 damage and the Secretary of State may, by rule or
27 regulation, require photographs to be submitted.

28 (2) When a vehicle the ownership of which has been
29 transferred to any person through a certificate of
30 purchase from acquisition of the vehicle at an auction,
31 other dispositions as set forth in Sections 4-208 and
32 4-209 of this Code, a lien arising under Section 18a-501
33 of this Code, or a public sale under the Abandoned Mobile
34 Home Act shall be deemed salvage or junk at the option of

1 the purchaser. The person acquiring such vehicle in such
2 manner shall promptly deliver or mail, within 20 days
3 after the acquisition of the vehicle, the certificate of
4 purchase, the proper application and fee, and, if the
5 vehicle is an abandoned mobile home under the Abandoned
6 Mobile Home Act, a certification from a local law
7 enforcement agency that the vehicle was purchased or
8 acquired at a public sale under the Abandoned Mobile Home
9 Act to the Secretary of State and a salvage certificate
10 or junking certificate shall be issued in the name of
11 that person. The salvage certificate or junking
12 certificate issued by the Secretary of State under this
13 Section shall be free of any lien that existed against
14 the vehicle prior to the time the vehicle was acquired by
15 the applicant under this Code.

16 (3) A vehicle which has been repossessed by a
17 lienholder shall be considered to be salvage only when
18 the repossessed vehicle, on the date of repossession by
19 the lienholder, has sustained damage by collision, fire,
20 theft, rust corrosion, or other means so that the cost of
21 repairing such damage, including labor, would be greater
22 than 33 1/3% of its fair market value without such
23 damage. If the lienholder determines that such vehicle
24 is damaged in excess of 33 1/3% of such fair market
25 value, the lienholder shall, before sale, transfer or
26 assignment of the vehicle, make application for a salvage
27 certificate, and shall submit with such application the
28 proper fee and evidence of possession. If the facts
29 required to be shown in subsection (f) of Section 3-114
30 are satisfied, the Secretary of State shall issue a
31 salvage certificate in the name of the lienholder making
32 the application. In any case wherein the vehicle
33 repossessed is not damaged in excess of 33 1/3% of its
34 fair market value, the lienholder shall comply with the

1 requirements of subsections (f), (f-5), and (f-10) of
2 Section 3-114, except that the affidavit of repossession
3 made by or on behalf of the lienholder shall also contain
4 an affirmation under penalty of perjury that the vehicle
5 on the date of sale is not damaged in excess of 33 1/3%
6 of its fair market value. If the facts required to be
7 shown in subsection (f) of Section 3-114 are satisfied,
8 the Secretary of State shall issue a certificate of title
9 as set forth in Section 3-116 of this Code. The Secretary
10 of State may by rule or regulation require photographs to
11 be submitted.

12 (4) A vehicle which is a part of a fleet of more
13 than 5 commercial vehicles registered in this State or
14 any other state or registered proportionately among
15 several states shall be considered to be salvage when
16 such vehicle has sustained damage by collision, fire,
17 theft, rust, corrosion or similar means so that the cost
18 of repairing such damage, including labor, would be
19 greater than 33 1/3% of the fair market value of the
20 vehicle without such damage. If the owner of a fleet
21 vehicle desires to sell, transfer, or assign his interest
22 in such vehicle to a person within this State other than
23 an insurance company licensed to do business within this
24 State, and the owner determines that such vehicle, at the
25 time of the proposed sale, transfer or assignment is
26 damaged in excess of 33 1/3% of its fair market value,
27 the owner shall, before such sale, transfer or
28 assignment, make application for a salvage certificate.
29 The application shall contain with it evidence of
30 possession of the vehicle. If the fleet vehicle at the
31 time of its sale, transfer, or assignment is not damaged
32 in excess of 33 1/3% of its fair market value, the owner
33 shall so state in a written affirmation on a form
34 prescribed by the Secretary of State by rule or

1 regulation. The Secretary of State may by rule or
2 regulation require photographs to be submitted. Upon
3 sale, transfer or assignment of the fleet vehicle the
4 owner shall mail the affirmation to the Secretary of
5 State.

6 (5) A vehicle that has been submerged in water to
7 the point that rising water has reached over the door
8 sill and has entered the passenger or trunk compartment
9 is a "flood vehicle". A flood vehicle shall be
10 considered to be salvage only if the vehicle has
11 sustained damage so that the cost of repairing the
12 damage, including labor, would be greater than 33 1/3% of
13 the fair market value of the vehicle without that damage.
14 The salvage certificate issued under this Section shall
15 indicate the word "flood", and the word "flood" shall be
16 conspicuously entered on subsequent titles for the
17 vehicle. A person who possesses or acquires a flood
18 vehicle that is not damaged in excess of 33 1/3% of its
19 fair market value shall make application for title in
20 accordance with Section 3-116 of this Code, designating
21 the vehicle as "flood" in a manner prescribed by the
22 Secretary of State. The certificate of title issued
23 shall indicate the word "flood", and the word "flood"
24 shall be conspicuously entered on subsequent titles for
25 the vehicle.

26 (c) Any person who without authority acquires, sells,
27 exchanges, gives away, transfers or destroys or offers to
28 acquire, sell, exchange, give away, transfer or destroy the
29 certificate of title to any vehicle which is a junk or
30 salvage vehicle shall be guilty of a Class 3 felony.

31 (d) Any person who knowingly fails to surrender to the
32 Secretary of State a certificate of title, salvage
33 certificate, certificate of purchase or a similarly
34 acceptable out-of-state document of ownership as required

1 under the provisions of this Section is guilty of a Class A
2 misdemeanor for a first offense and a Class 4 felony for a
3 subsequent offense; except that a person licensed under this
4 Code who violates paragraph (5) of subsection (b) of this
5 Section is guilty of a business offense and shall be fined
6 not less than \$1,000 nor more than \$5,000 for a first offense
7 and is guilty of a Class 4 felony for a second or subsequent
8 violation.

9 (e) Any vehicle which is salvage or junk may not be
10 driven or operated on roads and highways within this State.
11 A violation of this subsection is a Class A misdemeanor. A
12 salvage vehicle displaying valid special plates issued under
13 Section 3-601(b) of this Code, which is being driven to or
14 from an inspection conducted under Section 3-308 of this
15 Code, is exempt from the provisions of this subsection. A
16 salvage vehicle for which a short term permit has been issued
17 under Section 3-307 of this Code is exempt from the
18 provisions of this subsection for the duration of the permit.
19 (Source: P.A. 89-669, eff. 1-1-97; 90-665, eff. 1-1-99.)

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.